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INFO RUEHLM/AMEMBASSY COLOMBO 7576
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RUEHIL/AMEMBASSY ISLAMABAD 1287
RUEHLO/AMEMBASSY LONDON 1521
RUEHNE/AMEMBASSY NEW DELHI 9355
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C O N F I D E N T I A L DHAKA 006109

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E.O. 12958: DECL: 10/04/2016

TAGS: ENRG PGOV KDEM KCRM BG

SUBJECT: FORMER POWER MINISTER CLAIMS WHISTLEBLOWING LED TO OUSTER

Classified By: Political Counselor Dundas McCullough; Reason 1.4(d)

¶1. (U) The Prime Minister appointed Ukil Abdus Sattar as Power Secretary on October 3. Sattar replaces Anarul Kabir Talukder, who was forced to resign on September 29, just three months after taking over as Power Secretary. Talukder was forced out following attacks on power company offices and facilities around Dhaka by angry mobs protesting rolling blackouts (know locally as load shedding). Sattar is also the State Minister for Land.

¶2. (C) Talukder told Embassy sources his departure had little to do with public unrest over load shedding. The real reason was his opposition to several energy deals with China based Harbin Group that the government is trying to push through before it leaves office at the end of October. Talukder says he uncovered significant corruption involving the State Minister for Energy and the Prime Minister's son, Tarique Rahman. He asked an intermediary to convey his allegations to the Prime Minister's Office. Unfortunately, the PM's secretary, Khandaker Shahidul Islam, with whom the intermediary spoke, turned out to be part of the group backing Harbin. Islam apparently alerted Tarique Rahman to Talukder's allegations. Talukdar claims Tarique Rahman then instigated the mob attacks on the power offices to create a pretense for the PM to sack Talukdar.

¶3. (U) Harbin is best known in Bangladesh for its construction of the 80 MW Tongi power plant. The plant is essentially useless, having tripped more than 75 times since it was commissioned in October 2005.

¶4. (U) Bangladesh has been chronically short of power generating capacity, resulting in regular load shedding. Despite an estimated 8% annual growth rate in demand, no reliable new power generating capacity has been added to the grid since the BNP-led ruling coalition came to power in ¶2001. The current shortfall is estimated at 1500 to 2000 megawatts, or nearly 40% of demand. The problem is now acute, as nearly 20 existing plants are off-line due to equipment faults or scheduled maintenance. Moreover, seasonal demand increases during Ramadan, as shopping plazas add lavish decorative lighting displays and stay open later to attract seasonal shoppers.

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